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E.O. 12356: DECL:05/01/90

TAGS: ELAB, PGOV, MX

SUBJECT: MEXICAN LABOR DAY--HUGE DEMONSTRATIONS LARGELY  
 - SUPPORTIVE OF GOM, BUT MORE HOSTILITY THAN IN  
 - RECENT YEARS

1. CONFIDENTIAL - ENTIRE TEXT.

2. SUMMARY: THE TRADITIONAL MAY 1 LABOR DAY PARADE  
 TOOK PLACE FOR SIX HOURS IN DOWNTOWN MEXICO CITY WITH  
 A TURNOUT OF WELL OVER ONE MILLION MARCHERS. MOST  
 OF THE ORGANIZATIONS CARRIED BANNERS SUPPORTING THE  
 PRESIDENT AND GOM POLICIES, BUT THE OPPOSITION GROUPS  
 WERE LARGER AND MORE VOCIFEROUS THAN IN PREVIOUS YEARS.  
 MOST WERE IN FAVOR OF HIGHER WAGES AND LOWER PRICES,  
 WHICH IS TO BE EXPECTED FROM ANY MAY 1 RALLY, BUT THE  
 OPPOSITION GROUPS CALLED FOR THE IMMEDIATE END TO  
 THE GOM'S AUSTERITY PROGRAM. UNEXPECTED VIOLENCE OCCURRED  
 WHEN A STUDENT GROUP THREW TWO MOLotov COCKTAILS AT THE

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CONFIDENTIAL

STATE

84 4053674

SCO

PAGE 002

NC 4053674

TOR: 030135Z MAY 84

NATIONAL PALACE, ONE IGNITING A SMALL FIRE FOR A FEW MINUTES. THIS OCCURRED FAR FROM THE PRESIDENT'S BALCONY. IN AN INTERVIEW AFTER THE PARADE, PRESIDENT DE LA MADRID SAID THAT HE "KNOWS OF AND IS PAINED BY" THE DECLINE IN THE STANDARD OF LIVING. HE SAID HIS GOVERNMENT WOULD CONTINUE REVIEWING THE SALARY SITUATION PERIODICALLY. END SUMMARY.

3. MAY FIRST WAS CELEBRATED IN MEXICO WITH THE TRADITIONAL HUGE WORKERS' PARADE IN THE ZOCALO IN THE CENTER OF MEXICO CITY AS WELL AS SIMILAR DEMONSTRATIONS THROUGHOUT THE MAJOR CITIES OF MEXICO. THE MEXICO CITY PARADE, SPONSORED BY THE PRI-ORIENTED CONGRESS OF LABOR (CT), LASTED SOME SIX HOURS AND INCLUDED THE PARTICIPATION OF WELL ~~OVER ONE MILLION WORKERS~~. THE VAST MAJORITY OF THE PARTICIPATING ORGANIZATIONS CARRIED BANNERS AND CHANTED IN SUPPORT OF PRESIDENT MIGUEL DE LA MADRID, WHO WITNESSED THE PARADE FROM A BALCONY OF THE NATIONAL PALACE. LARGER AND MORE NUMEROUS THAN USUAL GROUPS, HOWEVER, CRITICIZED THE GOVERNMENT'S POLICIES AND CALLED FOR AN END TO THE AUSTERITY PROGRAM. TWO MOLOTOV COCKTAILS WERE THROWN AT THE PALACE, ONE EXPLODING AGAINST THE WALL AND ONE ENTERING A WINDOW (FAR AWAY FROM THE PRESIDENT), IGNITING A SMALL FIRE AND INJURING SEVERAL OBSERVERS.

4. THE TRADITIONAL LABOR DAY PARADE WAS ABOUT 85-90 PERCENT TRADITIONAL THIS YEAR IN THAT A LARGE MAJORITY OF THOSE MARCHING SUPPORTED THE PRESIDENT, PRI AND THE GOM POLICIES. A SMALL PERCENTAGE, PERHAPS 10-15 PERCENT, BUT A LARGER NUMBER THAN IN PREVIOUS YEARS, WAS HOSTILE TO THE GOVERNMENT AND ITS ECONOMIC AUSTERITY PLAN. MANY OF THOSE SUPPORTING THE GOVERNMENT CALLED FOR HIGHER WAGES AND MORE EFFECTIVE PRICE CONTROLS, WHICH HAS BEEN THE PLATFORM OF ORGANIZED LABOR SINCE THE CURRENT ECONOMIC CRISIS BEGAN. MOST OF THEIR CRITICISM WAS AIMED AT THE ~~COMMERCIAL AND INDUSTRIAL SECTOR~~ RATHER THAN AT THE GOVERNMENT. THEY CALLED FOR A GENEROUS WAGE INCREASE WHEN THE DECISION ON THAT ISSUE IS SCHEDULED TO BE DECIDED BY THE GOM IN JUNE. MUSIC, CHEERING AND PRO-GOVERNMENT CHANTING

CONFIDENTIAL

CONFIDENTIAL

STATE

84 4053674 SCO

PAGE 003  
TOR: 030135Z MAY 84

NC 4053674

DOMINATED THE PARADE. WHEN OPPOSITION GROUPS SCREAMED  
AGAINST THE GOVERNMENT, THE MILITARY BANDS STRUCK UP  
MARTIAL MUSIC TO ATTEMPT TO DROWN OUT THE PROTESTERS.

5. THE CRITICS, HOWEVER, WERE BOTH NUMEROUS AND  
VOCIFEROUS. THOSE OPPOSING THE GOVERNMENT STOPPED IN  
FRONT OF THE PRESIDENT'S BALCONY AND REPEATED THEIR  
SLOGANS AND CHANTS OVER AND OVER AGAIN. THE FIRST  
GROUP TO DO SO WAS A DISSIDENT ELEMENT OF THE SECRETARIAT  
OF AGRICULTURE UNION. THE UNION AS SUCH IS AFFILIATED  
TO FSTSE, THE GOVERNMENT EMPLOYEES FEDERATION, BUT THIS  
DISSIDENT GROUP HAS BECOME MORE VOCAL IN RECENT MONTHS.  
IT DEMANDED LARGER WAGE INCREASES AND IMPROVED BENEFITS  
FOR ITS MEMBERS. THEY WERE JOINED IN THEIR COMPLAINTS  
LATER BY A SIMILARLY DISSIDENT GROUP FROM THE WORKERS  
OF THE SECRETARIAT OF PUBLIC HEALTH.

6. BECAUSE THE AGRICULTURE GROUP WAS RELATIVELY  
ISOLATED, ITS DEMONSTRATION TOOK PLACE FOR 5-10  
MINUTES AND THEN MARCHED ON WITH THE REST OF THE  
PARADE. AN HOUR OR SO LATER, HOWEVER, FOUR OR  
FIVE OPPOSITION GROUPS, LOCATED IN CONSECUTIVE  
ORDER, STAGED A LONGER DEMONSTRATION IN FRONT OF  
THE PRESIDENT, HOLDING UP THE PARADE FOR SOME  
15-20 MINUTES. THESE INCLUDED THE DISSIDENT CNTE  
GROUP OF THE NATIONAL TEACHERS UNION (SNTE), THE  
LEFTIST ELECTRICIANS UNION (SME) AND NUCLEAR  
WORKERS UNION (SUTIN), A SMALL UNIVERSITY CONTIN-  
GENT (STUNAM) AND ONE OR TWO UNEXPECTED GROUPS.

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7. THE NON-TRADITIONAL GROUPS, PERHAPS CHANTING  
THE LOUDEST, WERE THE STUDENTS FROM THE PREPARATORIA  
POPULAR AND THE NATIONAL FRONT AGAINST REPRESSION,  
LED BY ROSARIO IBARRA DE PIEDRA, WHO CALLED FOR THE  
RELEASE OF "POLITICAL PRISONERS". BANNERS OF THE  
PARTIDO REVOLUCIONARIO DE LOS TRABAJADORES (PRT)

CONFIDENTIAL

CONFIDENTIAL

STATE

84 4053674 SCO

PAGE 004  
TOR: 030135Z MAY 84

NC 4053674

WERE EVIDENT AMONG THESE OPPOSITION GROUPS. AFTER THEIR DEMONSTRATION, AS THEY MARCHED AWAY FROM CENTER STAGE, TWO MOLOTOV COCKTAILS (PRESUMABLY COMING FROM THE PREPARATORIA GROUP) WERE THROWN AT THE NATIONAL PALACE. ONE LANDED AGAINST THE WALL AND DID NO HARM, BUT THE SECOND ENTERED THE WINDOW OF THE SEVENTH BALCONY, SEVERAL HUNDRED YARDS AWAY FROM THE PRESIDENT'S BALCONY, AND IGNITED A SMALL FIRE AND INJURED SEVERAL PEOPLE. AMONG THOSE INJURED WERE ALEJANDRO CARRILLO CASTRO, THE DIRECTOR OF ISSSTE, THE SOCIAL SECURITY SYSTEM FOR GOVERNMENT EMPLOYEES, AND CONCEPCION OLIVEIRA, A BRASILIAN METALWORKER WHO WORKS FOR CPUSTAL, THE INTER-AMERICAN COMMUNIST LABOR CONFEDERATION BASED IN MEXICO CITY. CARRILLO WAS TAKEN TO A HOSPITAL BUT OLIVEIRA REMAINED AT THE PARADE. NEITHER WAS INJURED SERIOUSLY AND THE FIRE WAS EXTINGUISHED ALMOST IMMEDIATELY.

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8. FIDEL VELAZQUEZ, LEADER OF THE CTM, SAID THAT HIS HUGE ORGANIZATION WOULD NOT PARTICIPATE IN THE FUTURE IF LAW AND ORDER WERE NOT MAINTAINED AND IF "NON UNION" GROUPS WERE ALLOWED TO PARTICIPATE. OTHER TRADITIONAL LABOR LEADERS EXPRESSED THEIR DISPLEASURE WITH THE VIOLENCE. RICARDO GARCIA SAENZ, NATIONAL DIRECTOR OF SOCIAL SECURITY, WAS QUOTED AS SAYING THAT THE NATIONAL PALACE HAS NOT BEEN THE SCENE OF VIOLENCE SINCE THE 1910 REVOLUTION.

9. WHEN THE PARADE WAS OVER, PRESIDENT DE LA MADRID MADE A BRIEF STATEMENT TO THE MEDIA. HE THANKED LABOR FOR ITS SUPPORT AND SAID "HE KNOWS AND IS PAINED BY THE FACT THAT STANDARDS OF LIVING HAVE DECLINED DURING THE ECONOMIC CRISIS." HE ADDED THAT HIS GOVERNMENT WILL CONTINUE REVIEWING THE SALARY SITUATION PERIODICALLY AND DO WHAT IT CAN TO PROTECT THE WORKERS' PURCHASING POWER.

10. THE UNIDAD OBRERA INDEPENDIENTE (UOI) HELD ITS OWN MAY 1 PARADE IN ANOTHER PART OF THE CITY. THE PRESS VARIES FROM 5,000 TO 50,000 IN THEIR ESTIMATES OF THE SIZE OF THAT DEMONSTRATION. THE UOI CALLED

CONFIDENTIAL

CONFIDENTIAL

STATE

84 4053674 SCO

PAGE 005

NC 4053674

TOR: 030135Z MAY 84

FOR CANCELATION OF THE AGREEMENT WITH THE IMF AND IMMEDIATE SALARY INCREASES. SINCE UOI LEADER JUAN ORTEGA ARENAS STATED SEVERAL DAYS AGO THAT HE WOULD TURN OUT SEVERAL HUNDRED THOUSAND MARCHERS, HIS DEMONSTRATION MUST BE DEEMED A FAILURE



11. COMMENT: THE COMPLAINTS AND PROTESTS ARE TO BE EXPECTED. PURCHASING POWER OF MEXICANS HAS DECLINED SUBSTANTIALLY DURING THE PAST TWO YEARS AND THE RECENT PRICE INCREASES IN GASOLINE, EGGS, MEAT AND OTHER BASIC PRODUCTS WERE BOTH ILL-TIMED AND ILL-RECEIVED. DESPITE CALLS BY MANY GROUPS FOR HIGHER WAGES AND LOWER PRICES, AS TO BE EXPECTED IN ANY MAY 1 RALLY, IT MUST BE NOTED THAT THE VAST MAJORITY OF THE TRADITIONAL UNION ORGANIZATIONS, REITERATED THEIR SUPPORT FOR THE PRESIDENT AND HIS POLICIES. ENOUGH SERIOUS DISCONTENT WAS EVIDENT, HOWEVER, FOR THE GOVERNMENT TO TAKE THIS INTO CONSIDERATION WHEN IT REVIEWS THE NATIONAL MINIMUM WAGE PICTURE NEXT MONTH. WHEN MINIMUM WAGES WERE INCREASED 30 PERCENT LAST JANUARY 1, IT WAS ANNOUNCED THAT AN ADDITIONAL INCREASE WOULD BE CONSIDERED IN JUNE. AT THAT TIME IT WAS THOUGHT THAT THE MID-YEAR INCREASE WOULD BE IN THE ORDER OF 10-15 PERCENT. WITH THE GOM UNABLE TO HOLD TO ITS PREDICTION OF A 40 PERCENT INFLATION FOR 1984 AND WITH THE DEGREE OF PROTEST IT WITNESSED ON MAY 1, THAT JUNE INCREASE MAY HAVE TO BE MORE GENEROUS THAN PREVIOUSLY PROGRAMMED. END COMMENT.

(DRAFTED BY IRWIN RUBENSTEIN) BUSBY

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